GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:1768
ANSWERED ON:25.11.2016
Revision of Corporate Governance Guidelines
Rai Shri Prem Das

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government proposes to revise the corporate governance guidelines due to the ongoing allegations against giant corporate houses and if so, the details thereof; and

(b) the effective steps taken/being taken by the Government to ensure investor confidence in Indian Inc. and to protect the minority shareholders in the cases of violation by companies/corporate houses?

Answer

THE MINISTER OF STATE (SHRI ARJUN RAM MEGHWAL)
IN THE MINISTRY OF CORPORATE AFFAIRS (???? ?????? ??? ??????)
???????? ????? ???????? ??? ????? ??????

(a) & (b):- No, Madam. Companies are required to comply with corporate governance requirements as prescribed in the Companies Act, 2013 (the Act) and the Rules thereunder. The Act and the prescribed Rules provide for adequate safeguards to protect the minority shareholders. Some of these safeguards are, right to approach National Company Law Tribunal against oppression and mismanagement; mandatory constitution of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee in listed and other class of companies; appointment of independent director for listed and other class of companies; code of conduct for independent directors; approval of related party transactions above prescribed thresholds by shareholders other than related parties.

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